

PRA

MULTI-PARTY CHAT CONSULTATION

Introduction

The PRA welcomes this opportunity to have an input into the conditions that should be set to allow multi-party chat services (MPCS) to operate with more ease. As the trade association that represents many traditional and long-term providers of PRS, we and our members have a sound understanding of the issues surrounding these services. This response takes account of views from our members.

We are pleased to see that PPP has decided to address the difficulties that the current regime presents; the view at the time of the re-introduction of MPCS was that, despite the recognition of the historic problems that the services had caused, the new conditions were too onerous. This was reflected in the fact that only three providers joined the trial and services failed to take-off.

Q1. Do you agree with the proposals around the consumer information and confirmation of bill-payer permission? Please give detailed reasoning where applicable.

The PRA agrees with the proposals to change the amount of information collected from the consumer. We believe that this deterred users and was likely to lead to false information being supplied. As PPP notes, with the rise in mobile usage, the unauthorised use issue should be lessened.

Q2. Do you agree with the proposed changes for the introduction message? Please give detailed reasoning where applicable.

Yes, we agree with the proposals for the introductory message.

Q3. Should higher tariffs up to £1.50 per minute be permitted? If not, please submit your comments and observations.

We agree that the full range of price points should be allowed. However, it should be borne in mind that the cost of the service was not what led to the bankrupting of the fund the first time around, it was the level of unauthorised use. Many virtual chat services now operate at low per minute costs, or even free for female users, which indicates that high-level tariffs may not be in demand.

Whilst service providers will be responsible for forced release at £30, they will only be able to base this on a multiple of the BT advertised charge, they will not know what a mobile operator is charging their customer to access the service, which could result in a bill much higher than £30 for one call.

Q4. Do you agree with the proposal around the content of MPCs? If not, please submit your comments and observations.

If monitors are able to adequately screen out minors on 121 and babe station services, then there does not seem to be a strong reason from preventing adult conversations on MPCS. Our only concern here is that the proposals may be seen as going from "prohibition" to "24-hour licensing" and we wonder whether a step by step change may be wiser, perhaps allowing adult services after a short successful running period for general chat services?

Q5. Do you agree with the proposed change around monitoring? If not, please explain your reasoning and any other details you wish to be considered in this regard.

Again this seems like a significant change from the current position and we would recommend caution. We believe that a maximum of 30 callers per monitor should be considered.

Q6. Should the maximum call spend remain at £30.00? If not, please supply any concerns you have or other information you feel should be considered.

We agree that the maximum (BT rate) call spend should be £30. Again, what the mobiles operators are charging their customers is out of the service providers' hands.

Q7. Should the call cost warnings remain unchanged? Is there any other information you feel should be considered or other safeguards put in place?

We agree that call cost warnings should continue to given – presumably with wording to make it clear that it is based on BT landline costs.

Q8. Do you agree with the proposals around single services? Please submit any concerns or issues you have with the intended change.

In principle we agree with the proposal, however, we would want to be sure that callers were absolutely clear when they were changing and, of course, there should not be a change from a non-sexual to a sexual service if on a non-adult prefix.

The analogy to move from a MPCS to a live 121 is clearly there now with the option in virtual chat services to move to a live conversation; however, presumably the service provider would be obliged to continue to record all live parts of the call, whether multi-party or 121, which would in fact allow a greater degree of retrospective control, for example, in checking claims for unauthorised use.

Q9. Do you agree with the proposal to allow MPCs to operate on prefixes other than the 09059 prefix? If not, please supply your reasoning and any other information you would like considered.

The 09059 prefix meant nothing to the caller and was only useful for PPP in checking bills in claims for unauthorized use during the trial. Is the intent here to allow MPCS on all controlled prefixes, including 0871, or only 09 prefixes?

Q10. Should the age of callers remain as 18 and over? Do you agree with the proposals regarding children? If not, please supply details of any other information you feel should be considered.

Due to the problems that were caused by children calling services before chatlines were banned, we agree that callers should be 18 and over. There may be some topics that teenagers would like to chat about in groups, but we feel this is best kept to free of charge internet chat rooms.

Q11. Do you have any suggestions or comments on additional conditions you feel should be imposed or considered by the Tribunal?

If the introduction of services is successful and they prove popular, PPP may wish to consider a second phase in which children's service could be introduced with lower per minute and total cost caps.

Q12. Do you agree with the proposal to remove the compensation fund and just have a security bond.

PPP's description of the Fund/Bond process on page 13 is a little confused. The Fund comes into play as a last resort – if the service provider refuses to settle a claim on the advice of the Adjudicator, their Bond is called down; if there is insufficient money in the Bond to cover the claim, then a call is made on the Fund.

As we have seen with live 121 services, there has never been an instance where this has occurred, and service providers have been happy to settle claims, which are generally for low amounts and few and far between.

We agree, therefore, that the Fund contribution should be ceased and only a Bond required.

Conclusion

The PRA welcomes this positive move by PPP to move the market for MPCS forward and only urges some caution to ensure that it does not become a free for all and bring the market into disrepute again.